Retaining migrant employees: Reducing turnover using job embeddedness theory

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ABSTRACT

Australian employers are facing a labour market shortfall and migrant labour is increasingly important in filling gaps in the workforce. Unfortunately migrant employees leave their jobs at a rate at least 20% higher than Australian born workers. This paper uses Job Embeddedness Theory to explain migrant turnover. Our model suggests that migrants experience lower levels of on- and off-the-job embeddedness, leading to greater voluntary turnover. However, the model also suggests that off-the-job embeddedness is more important for migrant retention than on-the-job embeddedness. Organisations may be able to retain migrant employees through mentoring, socialisation, work-life balance, and community involvement initiatives designed to increase both on- and off-the-job embeddedness.

Keywords: diversity management, managing diversity, non-English speaking background (NESB) workers, diversity in the labour market

For the last ten years there has been a notable labour and skills shortage throughout the world, and Australia is not immune to this problem (Cohen & Zaidi 2002; Tang & Wang 2005). Australia has an ageing workforce, and with the majority of workers 45 years or older (Department of Employment and Workplace Relations 2005), employers are competing for a constrained labour pool of younger workers (Productivity Commission 2005). Employers hope that migrant labour will fill the gaps in the domestic workforce (Nguyen 2008). Migration to Australia is on the rise, especially from Asia and Eastern Europe (Department of Immigration and Citizenship 2009a).

Unfortunately, while Australia is successfully attracting migrants to its shores, Australian businesses are not fully capitalising on this segment of the labour market. Migrants’ efforts to gain employment are hampered by both direct and indirect discrimination by Australian employers (Junankar, Paul, & Yasmeen 2004). Equal Employment Opportunity (EEO) and federal anti-discrimination legislation provides a strong deterrent for overt discrimination based on age, gender and marital status; however the discrimination experienced by migrants comes in much more subtle forms. Many Australian employers will not recognise non-Australian university or trade school qualifications (Parasnis, Fausten, & Cheo 2008), forcing migrant job seekers to accept employment outside their original field of study.
workers are likely to be employed in jobs well below their skill level, and skilled migrants are pushed into unskilled roles (Forde & MacKenzie 2009).

Migrant employees are more likely to leave jobs than their non-migrant counterparts (Junankar et al. 2004). In Australia, the turnover rate for migrant employees from English-speaking backgrounds is 20% higher than their Australian-born co-workers (Shah 2009). The turnover rate for migrant employees from non-English speaking backgrounds is even worse -- 33% higher than the rate for Australian-born employees (Shah 2009). Any voluntary turnover generates costs for employers (Cascio & Boudreau 2008). But the costs resulting from migrant employee turnover may be especially problematic, because evidence suggests that migrants do not just leave one local employer for another. South Australia, for example, lost more than 34% of its migrant labour force entrants from one financial year to next (Department of Immigration and Citizenship 2009b, 2009c). 25% of new migrants to Australia leave the country soon after their arrival (Department of Immigration and Citizenship 2009a). As a result, importing migrant labour fails to generate a sustainable local and national labour force. Given Australia's labour situation, it is important to develop and implement practices and procedures that will help local employers to retain migrant workers.

The purpose of this paper is to examine the migrant turnover problem and to suggest strategies for retaining migrant employees. We use Job Embeddedness Theory to understand why the high rates of migrant job turnover may be occurring. Job Embeddedness Theory is a framework designed to explain why some employees leave organisations, and others stay, incorporating the organisational, social and perceptual factors that influence employee retention. Since its emergence in 2001, Job Embeddedness Theory has only been used to examine turnover in homogenous samples, and has not looked at whether or not different groups of people have different levels of job embeddedness. In particular, the research has not looked at the job embeddedness of migrants and non-migrants. However, this framework is ideally suited to explaining why migrant employees are more likely to leave jobs than their non-migrant counterparts. Further, we use the Job Embeddedness Theory framework to identify creative strategies for
improving the retention of migrant employees. This paper makes an important contribution by providing practical solutions based on Job Embeddedness Theory to help managers and organisations reduce voluntary turnover in their organisations.

**JOB EMBEDDEDNESS THEORY**

Employers incur many costs associated with employee turnover. There are the tangible financial costs associated with paying accrued leave entitlements to the departing employee and recruiting a replacement (Cascio & Boudreau 2008). But there are also intangible costs associated with losing the skills and knowledge of a well-trained employee (Somaya & Williamson 2008). Voluntary turnover, therefore, has been a topic of important research for management scholars for the past fifty years (Tanova & Holtom 2008).

The turnover literature has traditionally been dominated by dissatisfaction and job alternative models (Trevor 2001). These models offer a straightforward prediction – employees leave when they are unhappy and they have access to another job that might make them happier. But these models fail to inform managers how to improve employee retention. In contrast, Job Embeddedness Theory (JET) emphasises the factors that keep people in their jobs (Mitchell et al. 2001). According to JET, every individual is part of an attachment “web” spanning both work and nonwork domains. The more complex the web, the more interconnected the individual, and the more difficult it would be for the individual to leave his or her organisation or community (Tanova & Holtom 2008). Organisations can encourage employee retention by creating opportunities for employees to develop these interconnections and to become more embedded in the web. JET describes two distinct types of embeddedness (on-the-job and off-the-job), and each type contributes to an employee’s intentions to stay with his or her current employer (Lee, Mitchell, Sablynski, Burton, & Holtom 2004; Mitchell & Lee 2001, Mitchell et al. 2001).

*On-the-job embeddedness* focuses on three aspects of an individual’s work life that connect him or her to the organisation (Mitchell & Lee 2001). The first factor is the number of links the employee has with
other members of the organisation. These on-the-job links are work related, but they may also have a personal aspect to them. For example, an employee’s involvement with team-based work may link him or her to teammates who become on-the-job friends. The second factor is fit, an individual’s compatibility with his or her work setting. For example, it is unlikely that an individual with strong environmental convictions would work for BP’s oil drilling operations. Finally, sacrifice captures the perceived and real cost of material benefits that may be forfeited by leaving a job. One example is a parent who would sacrifice onsite child care by changing organisations.

*Off-the-job embeddedness* focuses on the same three aspects – but in relation to the individual’s connections in the larger community and their life outside of work. Off-the-job links are links an individual has with other people or groups outside of the workplace (Mitchell & Lee 2001) – family or nonwork friends. Fit refers to how an individual fits with their community. For instance, an avid cyclist would not feel the right fit in a community with no bike trails or bike lanes. Off-the-job sacrifice is what an individual would sacrifice by moving communities. An individual might be reluctant to change jobs if it involved moving from an extremely safe neighbourhood to one with a high crime rate.

The JET literature has demonstrated that embeddedness predicts employees’ intentions to leave as well as actual turnover (Holtom, Mitchell, Lee & Eberly 2008). For example, Cunningham, Fink and Sagas (2005) found that both on- and off-the-job embeddedness predicted turnover intentions. Similarly, Felps, Mitchell, Hekman, Lee, Holtom, and Harman (2009) found that on- and off-the-job embeddedness were important antecedents to eventual turnover. This research suggests that job embeddedness plays a key role in employee retention. Employees who experience higher levels of on- and off-the-job embeddedness are more likely to stay with their employer (Lee et al. 2004; Mitchell et al. 2001).

However, JET also suggests that embeddedness might explain why some groups of employees experience higher retention rates than others. First, employee groups may differ in their levels of on- or off-the-job embeddedness. For example, Mallol, Holtom, and Lee (2007) compared Hispanic and non-Hispanic
employees in the United States. The Hispanic culture emphasises family values and a collectivistic attitude, where competition is seen as bad and cooperation between friends and family to create a unit striving for the ‘greater good’ is strongly encouraged, if not demanded (Ponton & Leon-Carrion 2001). These collectivist values encourage Hispanic employees to develop strong networks off the job and become more connected within their local communities. As a result, Mallol et al. (2007) found that Hispanic employees displayed higher levels of off-the-embeddedness than non-Hispanic employees.

Second, employee groups may differ in the extent to which they value on- or off-the-job embeddedness. Ramesh (2007) examined embeddedness in both India and the United States. India is a collectivist society, in contrast to the individualistic culture characterising American society. Collectivists are likely to place a higher value on their off-the-job relationships than individualists, and therefore off-the-job embeddedness should play a bigger role in employee retention in India. Consistent with this reasoning, Ramesh (2007) found that off-the-job embeddedness significantly predicted turnover in the Indian sample but not in the American sample. In contrast, on-the-job embeddedness predicted turnover in the American sample but not in the Indian one.

**JOB EMBEDDEDNESS THEORY AND MIGRANT RETENTION**

In this section, we use JET as a framework to explain how migrant worker status may influence turnover. We suggest that migrant status plays two roles in employee retention. First, migrant status may impact the level of embeddedness experienced by an employee. Second, migrant status may impact which type of embeddedness is the most important in employee retention. Our model is presented in Figure 1.

[Insert Figure 1 about here]

Migrants may have less *on-the-job embeddedness* than non-migrant workers because they generate fewer on-the-job links and are likely to experience poorer fit. Migrant workers are likely to be less linked to
other members of the organisation because mentoring relationships and at-work friendships are usually based in similarity (Thomas 1990). Employees are more likely to develop relationships with people who are perceived to be similar in demographics or values (Isen & Baron 1991), and migrant workers are likely to be different from the core-population employees that constitute the majority of the workforce. These differences may be in terms of their demographic characteristics such as skin colour or facial features or in terms of their value orientations. Being different, a migrant worker will have more difficulty forming relationships in the workplace (Chatman et al. 1998; Riordan 2000). Migrants are also more likely to be employed in jobs that are a bad fit (Forde & Mackenzie 2009), stemming from employers’ reluctance to hire someone with no local experience and less familiarity with current work practices. Employers’ reluctance to hire migrants constrains migrants’ job choices, forcing them to take any job that is offered – regardless of fit.

Migrants may also experience less *off-the-job embeddedness* than non-migrant workers. Non-migrant workers who have been brought up in Australia have spent their entire lives – starting from their early schooldays and continuing throughout adulthood -- forging links with other people in their communities. A migrant worker is likely to have far fewer links off-the-job (Birrell 2003). Migrants often try to connect with other people from their home country who previously travelled the same migration path (Babcock 2006; Dustmann 1996) but these relationships may not be available to “first wave” migrants from a particular place. Very few migrants moving to Australia are likely to have family or fellow ethnic members already established in the community (Birrell 2003).

Further, the links that migrant workers do develop in the community are likely to be more fragile than those of non-migrant workers. Migrants rely on community organisations or churches to help develop off-the-job connections (Lawson 1998). However, these connections are more formal and more emotionally distant than the friend and family networks to which non-migrants have access. Further, community networks are most likely to link the migrant employee to other migrants. These small, localised networks can provide social support (Bauer, Epstein, & Gang 2009; Ryan, Sales, Tikli & Siara
2008) but they do not deliver the same range of advantages that the non-migrant’s wider and more diverse network can bring (Ibarra 1993). Therefore, the following hypotheses are proposed:

Hypothesis 1. On-the-job embeddedness will be lower for migrant workers than for non-migrant workers.

Hypothesis 2. Off-the-job embeddedness will be lower for migrant workers than for non-migrant workers.

On-the-job embeddedness may be more important to non-migrant employees in their decisions to stay with a particular employer; off-the-job embeddedness may be more important to migrant employees. Non-migrant workers have much more flexibility than migrant workers when they seek employment or consider job alternatives (Cable & Judge 1996). This flexibility enables them to maximise on-the-job fit, and they may be more willing to move to improve on an imperfect fit. If a non-migrant worker does not fit in with their work environment, he or she can leave and find a job with a better fit. This worker is more likely to be re-employed given their local experience (Constant et al. 2009). Migrants, however, move to new countries for reasons not related to employment such as better living conditions, better medical care, greater independence and better social opportunities (Storch 2008; Zimmermann 1995), so maintaining these off-the-job elements may be higher on a migrant’s priority list.

In contrast to non-migrant workers, migrant workers do not enjoy pre-existing off-the-job community links (Birrell 2003). Migrant workers must invest considerable effort in forging these links (Wuluff & Dharmalingam 2008). Having made this investment, a migrant worker may become reliant on his or her off-the-job connections and reluctant to sacrifice them to enable a job change.

Further, many international migrants are now moving to Australia from Eastern Europe and Asia (Department of Immigration and Citizenship 2009a), regions with a collectivist orientation. Migrants coming from these regions bring their collectivist ideals with them and place a higher value on these ideals than the core population of Australia, which is a relatively individualistic society (House, Hanges, Javidan, Dorfman, & Gupta 2004). This collectivist approach means that migrant workers will value their
off-the-job lives to a greater extent than their non-migrant counterparts. The following hypotheses are therefore proposed:

_Hypothesis 3. On-the-job embeddedness will have a greater influence on non-migrant workers’ intention to stay than on migrant workers’._

_Hypothesis 4. Off-the-job embeddedness will have a greater influence on migrant workers’ intention to stay than on non-migrant workers’._

**INCREASING MIGRANT EMBEDDEDNESS**

JET is a useful framework for explaining why migrant and non-migrant employees demonstrate different rates of retention. But JET is also useful in helping organisations to generate strategies to improve retention. Our model suggests that employers can reduce migrant turnover rates by increasing both on- and off-the-job embeddedness. Our recommended initiatives may benefit both migrant and non-migrant employee groups by helping all employees to develop links on- and off the job. However, these initiatives are especially important for migrant employees because their on- and off-the-job links are less likely to develop spontaneously. The recommended strategies presented here go beyond EEO and anti-discrimination mandates to address the subtle forms of discrimination experienced by migrants. The literature has historically emphasised within-organisation strategies for increasing embeddedness on-the-job (e.g. Lee et al. 2004; Mitchell et al. 2001). However, organisational strategies for increasing off-the-job embeddedness may be especially effective for improving the retention of migrants because migrant employees are likely to particularly need and value these off-the-job connections.

**Initiatives to increase on-the-job embeddedness**

Organisations can increase the on-the-job embeddedness of migrant employees through their socialisation activities. Socialisation tactics are the methods an organisation uses to help new hires adapt to the work environment (Allen 2006); effective socialisation enhances organisation loyalty and reduces turnover.
The socialisation process that operates through mentoring relationships and during induction programs can begin to embed migrant employees in the workplace, reducing their intentions to leave (Allen 2006; Ashforth & Saks 1996). Socialisation activities can be particularly useful in increasing on-the-job embeddedness of migrant employees when they promote interpersonal relationships across the migrant/non-migrant demographic boundary.

Mentoring is associated with faster career advancement and higher levels of organisational commitment (Murrell, Blake-Beard, Porter, & Perkins-Williamson 2008). However, an important outcome of mentoring that is often overlooked is employee retention (Kilian, Hukai & McCarty 2005; Kulik & Roberson 2008). Mentoring relationships can be very intimate and long-lasting (Ragins & Cotton 1999) and can help early-career employees to feel a connection with more senior employees and the organisation as a whole (Friedman, Kane & Cornfield 1998).

Informal mentoring relationships usually develop spontaneously between a demographically similar mentor and a protégé (Ragins & Cotton 1999). However, organisations can also establish formal mentoring programs and match an organisational newcomer to a more experienced worker (Kram 1983). Minority newcomers experience the greatest benefits when they are paired with a majority group “insider” (Dreher & Cox 1996), especially when the demographic composition of the organisation makes it unlikely that cross-demographic boundary relationships will develop spontaneously (Ramaswami, Dreher, Bretz & Weithoff 2010).

If an organisation does not have enough senior mentors to make a formal one-on-one mentoring program viable, group mentoring programs offer an alternative strategy for increasing the number and strength of employees’ on-the-job links (Kulik & Roberson 2008). Group mentoring programs engage a group of junior employees who meet regularly with a more senior mentor or facilitator. Group mentoring can generate opportunities for migrant employees to create on-the-job links by sharing interests and concerns with co-workers in their mentoring group. The peer-to-peer networks that develop from group mentoring
enhance employees’ feelings of belonging and reduce employees’ turnover intentions (Arnold 2006).

These informal networks provide information and support to the individuals who participate in them (Noe, Greenberger, & Wang 2002).

One of the most important opportunities for socialisation occurs at the start of the employment relationship, when organisations provide induction or orientation programs for new employees. Organisations can use these programs to help new employees become more familiar with the role they will be playing in the organisation (Wanous 1992); this makes it easier for new employees to learn the skills required to complete their jobs successfully (Morrison 1993). Effective induction courses boost an employee’s confidence that he or she can handle the job, and confident employees are more likely to engage with co-workers and display greater cooperation (Feldman 1981), creating and strengthening on-the-job links.

Small organisations often do not bother with formal induction programs (Tyler 1998), leaving newcomers to fend for themselves. Larger organisations do provide induction courses, but few of these do it well (Owler 2007). Most importantly, induction courses have historically neglected the social aspects associated with organisational membership (Wanous & Reichers 2000). All newcomers to an organisation need help forging links with their supervisors and peers (Settoon & Adkins 1997) and managing the stress that is part of the newcomer experience (Wanous & Reichers 2000). But this help may be especially important for migrant employees, who could experience heightened anxiety because they are unfamiliar with local norms and customs.

Organisations can explicitly design induction programs to help newcomers build on-the-job relationships by incorporating skill-training that focuses on helping behaviour and cooperating with co-workers (Wanous & Reichers 2000). Social skill-building encourages newcomers to build relationships during induction – but also provides them the skills to cultivate relationships on-the-job. This training teaches migrant employees local norms about organisational citizenship, and motivates non-migrant employees to
help demographically diverse co-workers who need assistance. Involving role models (peers and/or supervisors) from the employees’ workgroups may be particularly useful in helping newcomers to develop these skills.

**Initiatives to increase off-the-job embeddedness**

Organisations can increase the off-the-job embeddedness of migrant employees by encouraging these employees to become more involved in their local community. Off-the-job embeddedness may be even more important than on-the-job embeddedness in retaining migrant employees because links with community members may be a source of information about the school system or the health care system, high priority items for many migrants (Storch 2008; Zimmermann 1995). Organisations may be able to increase off-the-job embeddedness by actively promoting work-life balance, in particular the use of flexi-time, and by sponsoring activities that encourage employees to work and play in the community.

Organisations can promote work-life balance (WLB) to increase employees’ off-the-job embeddedness. WLB is the term used to describe the organisational initiatives that are aimed at increasing an employee’s balance between their work life and their family life (McCarthy, Darcy & Grady 2010). There are many organisational initiatives that help employees achieve WLB, including on-site child care (Levin-Epstein 2001), job sharing (Freeman & Coll 2009) and flexi-time (Stavrou & Kilaniotis 2009).

One of the easiest WLB initiatives for organisations to implement is the use of flexi-time. Organisations offering flexi-time allow employees to choose starting and finishing times that match their personal needs as long as their work schedule covers the business’s core hours (McCarthy et al. 2010; Mitchell et al. 2001a). Flexi-time gives employees more opportunities to participate in off-the-job activities that are offered by their gym, their church, or other community associations (Stavrou & Kilaniotis 2009). Parents can leave work in time to pick up their children from school and increase their involvement in their children’s after-school activities. This engagement in off-the-job activities increases off-the-job embeddedness for employees who take advantage of the flexi-time program. However, flexi-time may be
particularly important for migrant employees who do not yet have an established support network in the community. These employees may particularly value flexi-time programs that allow them to schedule their work hours around the work hours of a spouse or the school hours of their children. Without such flexibility, migrant employees may be unable to participate in community activities and build links with neighbours.

There are a variety of ways organisations can help employees to become more engaged with the communities in which they live, and connect with people with whom they would not otherwise interact. Organisations can encourage employees to participate in volunteer initiatives (Booth, Park & Glomb 2009) that directly benefit the community (e.g. Big Brother/Big Sister or Habitats for Humanity). Organisations can organise sports teams for their employees or their children (Mitchell et al. 2001a) or sponsor teams in fun fitness challenges like the Corporate Cup, in which teams compete to demonstrate the most improvement in timed walks or runs over several months. All of these activities provide employees the opportunity to mix with people from inside and outside their organisation. They bring together people who might not otherwise cross paths.

Organisational support for these community initiatives has several important outcomes for the employer and its employees. Involvement in the community promotes awareness of the organisation’s ‘brand’ among community members, and helps to develop positive associations with the brand (Turner 2010). Simultaneously, an organisation’s involvement in the community increases employees’ off-the-job embeddedness and reduces organisational turnover. Importantly for migrant workers, organisation-supported community initiatives can overcome community-based barriers between social or demographic groups (Bowen, Burke, Little & Jacques 2009) that might otherwise prevent migrant employees from successfully embedding within their neighbourhoods. Further, the off-the-job embeddedness that results from these initiatives can have a spillover effect on on-the-job embeddedness. Employees who participate in community events develop new skills they can apply in the workplace (Booth et al. 2009) and feel more engaged with their organisations (Syedain 2010).
CONCLUSION

Australian employers are increasingly reliant on migrant employees to meet their labour needs. However, a sustainable workforce can only be achieved if migrant employees are hired and retained. The JET framework explains why migrant turnover is higher than non-migrant turnover and suggests initiatives for increasing migrant retention. This paper also adds to the theory development of JET by addressing a significant gap in turnover research to date. Future research should empirically test the predictions presented in this paper and examine the effectiveness of our recommended initiatives for increasing migrant employee job embeddedness.

REFERENCES


FIGURE 1

Migrant worker status and the relationship between on and off-the-job embeddedness and the intention to stay